

FISCAL NOTE

HB 1102 - SB 914

April 14, 2003

SUMMARY OF BILL: Reinstates the Tennessee Comprehensive Health Insurance Pool as it was authorized in state law on June 30, 1996.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$10,000,000

Increase State Revenues - Exceeds \$10,000,000

Estimate assumes:

- Reinstates the state run health insurance program for persons who are unable to purchase health insurance in the private sector or ineligible for public assistance programs.
- The program will be funded in a similar manner, from enrollee premiums, state appropriations, and fees on health insurance companies. The amount cannot be determined but is estimated to exceed \$10,000,000. The assessment on insurance companies was \$5,715,000 in fiscal year 1994 and premiums totaled \$10,930,000.
- The state will incur a cost from establishing an administrative apparatus (or contracting with an administrator) and from incurred claims. The amount cannot be determined but is estimated to exceed \$10,000,000. TCHIP expended \$17,750,000 in fiscal year 1993 and \$12,700,000 in fiscal year 1994.

The TennCare Bureau states that more than 66,000 persons now on TennCare who are above 100 percent of poverty may no longer be eligible. This group would be potential enrollees for a TCHIP program although the extremely high premiums would probably hold down enrollment. The TCHIP program had 3,969 enrollees June 30, 1991 but only 1,782 June 30, 1994 (the year TennCare was established).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director